

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
May 12, 2004
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Terry Ellis, Peoria, Chair | Horatio Skeete, Litchfield Park |
| Jim Huling for Mike Hutchinson,
Vice Chair, Mesa | Tom Martinsen, Paradise Valley |
| # George Hoffman, Apache Junction | Frank Fairbanks, Phoenix |
| Todd Hileman, Avondale | John Kross for Cynthia Seelhammer,
Queen Creek |
| * Joe Blanton, Buckeye | * Bryan Meyers, Salt River Pima-Maricopa
Indian Community |
| * Jon Pearson, Carefree | Roger Klingler for Jan Dolan, Scottsdale |
| * Usama Abujbarah, Cave Creek | Kathy Rice for Jim Rumpeltes, Surprise |
| Mark Pentz, Chandler | Will Manley, Tempe |
| * B.J. Cornwall, El Mirage | Ralph Velez, Tolleson |
| # Tim Pickering, Fountain Hills | Shane Dille, Wickenburg |
| + Lynn Farmer, Gila Bend | * Mark Fooks, Youngtown |
| Urban Giff, Gila River Indian Community | Dale Buskirk for Victor Mendez, ADOT |
| George Pettit, Gilbert | Mike Ellegood for David Smith,
Maricopa County |
| Ed Beasley, Glendale | Ken Driggs, Valley Metro/RPTA |
| Stephen Cleveland, Goodyear | |
| * Tom Morales, Guadalupe | |
- * Those members neither present nor represented by proxy.
Participated by telephone conference call.
+ Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chairman Terry Ellis, at 12:07 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chairman Ellis announced that Tim Pickering and George Hoffman were attending the meeting via telephone conference call and Lynn Farmer was attending via videoconference call. Chairman Ellis stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

3. Call to the Audience

Chairman Ellis stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chairman Ellis noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations. When two minutes have elapsed, a yellow light will come on notifying the speaker that they have one minute to sum up. At the end of the three minute time period, a red light will come on. Chairman Ellis stated that for members of the audience who wish to speak, comment cards are available from the staff.

Chairman Ellis recognized public comment from Diane Barker, who noted upcoming MAG meetings, including a public hearing on June 1, 2004. Ms. Barker said that she thought that public hearings were good so that the public knows they can provide comment. Ms. Barker stated that because transit is used as a control measure, many transit projects are exempt for air quality conformity. Since light rail transit is not a project committed to in the air quality implementation plans, the change in completion of the project does not impact the timely implementation of TCMs. Ms. Barker stated that the Management Committee has a better attendance percentage than the Regional Council. Chairman Ellis thanked Ms. Barker for her comments.

4. Executive Director's Report

Dennis Smith gave an update on reauthorization. The Senate passed HR 4219, a two-month extension of funding. The House will not appoint its conferees until an agreement on a top-line dollar amount is reached with the White House.

Mr. Smith stated that the Intermodal Planning Group (IPG) Certification Review of MAG by Federal Highway Administration and Federal Transit Administration was held on May 4th and 5th. He reported that no corrective action items were requested. Mr. Smith stated that the federal representatives complimented MAG on the Data Partnership Project, interactive mapping, public involvement, elderly mobility, air quality planning and the inclusion of the business community on the Transportation Policy Committee. He advised that the federal agencies stressed that additional efforts are needed in safety planning.

Mr. Smith reported on the Compensation Study. He stated that a staff member from Peoria and a staff member from Mesa participated in an advisory role in the development of the study. He reported that the consultant was able to benchmark 35 positions. Mr. Smith stated that the study found that six positions were found to be below market and 49 were below the mid-point. It would take \$318,000 to bring every position to mid-point and \$11,998 to bring all positions to at least the minimum. He said that MAG staff is recommending that the Assistant Director position be eliminated to assist in reconciling the MAG salaries to the findings of the Compensation Study. Mr. Smith stated that the Executive Committee will consider the Compensation Study at their May 17th meeting.

Mr. Smith stated that 35 nominations have been received for Desert Peaks awards that will be held June 23, 2004 at the Arizona Club. He stated that eight judges will meet on May 19, 2004. The judging panel includes Tom Ambrose, Senior Vice President of the Phoenix Suns; Anna Maria Chavez, Director of Intergovernmental Affairs at the Governor's Office; Dr. Larry Christiansen, President of Mesa Community College; Lattie Coor, Chairman and CEO of the Center for the Future of Arizona; James Creedon, retired Brigadier General; Sandra Hicks, Executive Director of the Challenger Space Center; Joel Nilsson, Editorial Board of The Arizona Republic; and Mary Jo Waits, Associate Director of the Morrison Institute. Mr. Smith stated that \$8,500 in sponsorships have been received from Arizona Public Service, Salt River Project, Associated General Contractors, Mariscal Weeks, The Arizona Republic, the Bank of America, Kimley Horn & Associates, Blue Cross/Blue Shield of Arizona, and the e group. Mr. Smith stated that a special award, the Summit Award, will be presented for the Regional Transportation Plan effort. Mr. Smith added that the Governor has been invited to present the Summit Award. Chairman Ellis thanked Mr. Smith for his report and asked the Committee if there were any questions.

Dale Buskirk commended MAG staff on their professionalism in the quality and depth of material they produced for the IPG Certification Review.

5. Approval of Consent Agenda

Chairman Ellis stated that public comment will be received before taking action on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chairman Ellis stated that agenda items #5A through #5D were on the consent agenda. No requests to hear an item individually were noted.

Mr. Martinsen moved to recommend approval of consent agenda items #5A, #5B, #5C, and #5D. Mr. Dille seconded, and the motion carried unanimously.

5A. Approval of April 14, 2004 Meeting Minutes

The Management Committee, by consent, approved the April 14, 2004 meeting minutes.

5B. Amendment to the FY 2004-2007 MAG Transportation Improvement Program for ADOT Highway Projects and a Maricopa County Job Access and Reverse Commute Project

The Management Committee, by consent, recommended an amendment to the FY 2004-2007 MAG TIP to accelerate \$2,829,000 in NHS funds to acquire right-of-way for the Wickenburg By-pass project from FY 2005 to FY 2004, and to add a new phase of the Maricopa County Job Access and Reverse Commute (JARC) program with \$3,234,705 in JARC funds in FY 2004. The FY 2004-2007 MAG Transportation Improvement Program (TIP) was approved by the Regional Council on November 25, 2003. Since that time, ADOT has requested to accelerate \$2,829,000 in National Highway System (NHS) funds from their FY 2005 Wickenburg By-pass project to acquire right-of-way in FY 2004. In addition, Maricopa County has been awarded

\$3,234,705 in Job Access and Reverse Commute funds to continue their program already in progress. It is necessary to amend the TIP to include these projects so that they may proceed to construction. All of the changes are regarded as exempt projects or are regarded as minor project revisions for which no air quality conformity is required and the consultation for this item is considered as a separate agenda item. On April 29, 2004, the Transportation Review Committee recommended approval of a TIP amendment for these projects.

5C. Request to Change the Federal Functional Classification of a Town of Gila Bend Roadway and Amendment to the FY 2004-2007 MAG TIP to Reprogram MAG Federal Funds on a Gila Bend Project

The Management Committee, by consent, recommended that Martin Avenue between Old Main Street and Stout Street in the Town of Gila Bend be recognized as a federally functionally classified Rural Major Collector Street. In addition, to recommend that the funds programmed for improvements to the Watermelon Road intersection be reprogrammed onto the Martin Avenue, Old Main Street to Stout Street Pedestrian Improvements project and approve an Amendment to the FY 2004-2007 MAG TIP to accomplish this change. The Town of Gila Bend has requested to recognize Martin Avenue, Old Main Street to Stout Street as a federally functionally classified Rural Major Collector Street. MAG approval is required in order for ADOT to proceed with classification of the facility. In addition, the Town of Gila Bend has requested to reprogram its Watermelon Road project, so that the \$188,600 in STP funding allocated to it is used to complete pedestrian improvements on Martin Avenue, Old Main Street to Stout Street. An amendment to the FY 2004-2007 MAG TIP is needed to accomplish this reprogramming. This change is regarded as an exempt project or is regarded as a minor project revision for which no air quality conformity is required and the consultation for this item is considered as a separate agenda item. On April 29, 2004, the Transportation Review Committee recommended approval of the change in functional classification and approval of a TIP amendment for this project.

5D. Conformity Consultation

MAG is conducting consultation on a conformity assessment for an amendment to the FY 2004-2007 MAG Transportation Improvement Program. The amendment includes an Arizona Department of Transportation request for a new right-of-way acquisition project for State Route 93 (Wickenburg By-pass) in FY 2004, and the addition of new federal Job Access and Reverse Commute funds for continuing a Maricopa County transit project in FY 2004. In addition, the Town of Gila Bend has requested a new pedestrian improvement project on Martin Avenue, Old Main Street to Stout Street in FY 2005. The amendment includes new projects that may be categorized as exempt from conformity determinations and minor project revisions that do not require conformity determinations. This item was on the agenda for consultation.

6. Update on Air Quality Issues

Lindy Bauer updated the Committee on air quality issues. She reported on the new nonattainment area for the eight-hour ozone standard, which includes Maricopa County and Apache Junction. Ms. Bauer stated that the boundary designated by EPA is an improvement

over the four-county area that was originally proposed. Ms. Bauer stated that Apache Junction projects are already included in the MAG transportation plans and modeling area. She stated that EPA has designated our area as a basic nonattainment area because the readings are only slightly over the standard at two monitors.

Ms. Bauer stated that another issue is PM-10 particulate pollution. Ms. Bauer stated that as of 2003, the region has experienced violations of the annual standard at five locations. She said that the region must be clean for three years before 2006. If we continue to have violations after January 2004, we will be required to have a five percent plan in place, which means we will have to reduce pollutants by five percent each year until the standards are met. Ms. Bauer stated that the Salt River monitor continues to go over the standards, so EPA said that a new plan for that area would need to be developed. She noted that the area covers from 59th Avenue to 10th Street, Baseline to Van Buren. Ms. Bauer stated that the Arizona Department of Environmental Quality (ADEQ) plan did not include measures and ADEQ is working on the measures now. She said that sweeping streets more frequently was a key issue discussed at a stakeholders meeting on Monday. Ms. Bauer indicated that ADEQ had presented options such as if a road is within one quarter mile of an industrial area, it would be swept weekly, and this could have financial implications for municipalities.

Ms. Bauer stated that HB 2419 delayed the compliance date for smaller diesel engine vehicles to switch over to cleaner diesel engines. She stated that the clean burning fireplace measure would be used as a main measure to counteract this. Ms. Bauer stated that we are still trying to get PM-10 added to the SAFETEA formula. She noted the work by Senator Kyl, the National Association for Regional Councils, and the ADOT lobbyist on this effort. Ms. Bauer reported that Congressman Shadegg offered an amendment to include PM-10 in the formula on the House Floor, but it was withdrawn after two key Congressmen agreed to revisit the language in the Conference Committee.

Ms. Bauer updated the Committee on the lawsuit filed by the Arizona Center for Law in the Public Interest. She stated that on May 10, 2004, the United States Court of Appeals for the Ninth Circuit Court issued an opinion that vacated portions of EPA's final approval of the Serious Area Particulate Plan for PM-10 for Maricopa County. Ms. Bauer said that the court told EPA it must review their discussion of the rejection of CARB diesel. She indicated that EPA attorneys are evaluating the impact of the court's opinion. Chairman Ellis thanked Ms. Bauer for her report and opened the floor for questions.

Mike Ellegood commented that the completion of the plan to restore the Salt River could be a positive impact on nonattainment. Mr. Ellegood stated that the County has invested greatly in this restoration and feels it will do a tremendous job to clean up the dust in the area. Ms. Bauer noted that Mr. Ellegood had brought up an important point. She said that she would check to see if this is included in the base modeling for the plan.

Mr. Smith stated that it is unknown if mining operations will continue to be active around that area after the restoration. He asked Ms. Bauer to review the County's efforts on Rule 310 enforcement. Ms. Bauer stated that Rule 310 covers a wide variety of fugitive dust sources. She stated that the County Board of Supervisors resolved to strengthen Rule 310 and is currently

reexamining Rule 310 efforts to ensure its effectiveness. She explained how the MAG region with its inspectors, may be held up to Clark County, which is a smaller area and has 22 inspectors.

7. Draft FY 2005 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough reported on the draft FY 2005 MAG Unified Planning Work Program and Annual Budget, which is being presented for a recommendation for approval. As adjustments to the budget were made, the draft budget document was updated and presentations were made to the Management Committee, Executive Committee, and Regional Council. Ms. Kimbrough expressed her appreciation to the Committee for contributing to a successful Work Program process. She noted that no changes have been made since the presentation to the Committee in April. Ms. Kimbrough said that the total FY 2005 budget is \$14,793,645, a reduction of 23.88 percent from the FY 2004 budget; which is due to project completions. Ms. Kimbrough stated that MAG joining the Arizona State Retirement System has not yet been determined. She advised that if the retirement change is made, the overall 2005 budgeted costs would not change. Ms. Kimbrough stated that the findings from the Compensation Study will be presented to the Executive Committee on May 17th. She explained that through the elimination of the Assistant Director position, funds would be available for salary adjustments.

Ms. Kimbrough stated that two projects currently included in the budget are under review, *Building a Quality Regional Community* and the *Building Codes Compilation and Web Addition*. She stated that staff is recommending that the building codes project be deferred until July and would be coded as pending approval. Ms. Kimbrough stated that the budget and Work Program were reviewed May 4th and 5th by the Intermodal Planning Group, which includes Federal Highway Administration and Federal Transit Administration. She said that MAG received many positive comments on the Work Program and budget and she did not anticipate any budget changes as a result of the meeting.

Ms. Kimbrough stated that the budget includes a placeholder in the amount of \$300,000 for the *Building a Quality Regional Community* program. She stated that a second program workshop was held May 6th. Mr. Smith expressed his appreciation to city staff for their efforts and thorough review of this program. He stated that 13 meetings with city staff and two workshops have been held to discuss the program, and that a phased approach has resulted from member agency input. Mr. Smith stated no costs are associated with Phase I in the next fiscal year. He stated that the idea behind the program was to provide regional information to cities when they are making local decisions. Mr. Smith advised that the majority of West Valley cities expressed that they are not in favor of moving forward on the project.

Jack Tomasik addressed the Committee on the *Building a Quality Regional Community* program. Mr. Tomasik stated that the purpose of the program is to provide member agencies with information so they can plan and implement the long-term development of sub-regions in the metro area, based on the links of job center economic development by member agencies to housing required for expected job center occupations within commute sheds and commuter-oriented transportation planning within sub-regions. Mr. Tomasik stated that regional goals would be achieved through member agency planning and implementation, not through MAG.

The goals would provide member agencies necessary regional information. Information and models would be transmitted to member agencies for their own use--no reports would be prepared by MAG that would judge job center competitiveness. Mr. Tomasik stated that the program would be budgeted through federal transportation funds, not special assessments. He noted there has been substantial review and comment by member agencies.

Mr. Tomasik displayed a chart of the work plan that resulted from the two workshops and 13 member agency visits. Phase I would be an evaluation of existing situations and conducted at no cost. Mr. Tomasik stated that Phase I could take place between November 2004 and June 2005. He stated that June 2005 could be the decision point at which it is determined whether to move forward with Phase II, which could be conducted from July 2005 to March 2006 and Phase III conducted April to October 2006. He added that Phase II and Phase III would cost \$150,000 each based on costs we now have. Chairman Ellis thanked Mr. Tomasik for his presentation and asked if there were any questions.

Mr. Hileman commented that he could not see the value of the program. In the past, there have been discussions on the number of studies that MAG does. Mr. Hileman stated that Avondale recently completed this type of exercise to help the city in its planning efforts. He said that he felt that this project would not have an impact on market forces--no amount of information would change what the market forces determine. Mr. Hileman expressed concern for the amount of staff time that would be spent on a study that would end up on a shelf.

Chairman Ellis stated that the City of Peoria supports the program and feels it is a good investment and cost benefit. He said that he understood that the information that would be generated by the program is information that cities do not currently have. Chairman Ellis mentioned that economic development staff throughout the County were excited about the program. He stated that it is important and beneficial to show we are looking at development and growth regionally.

Mr. Beasley applauded staff for their efforts in meeting with member agencies and listening to their input. He said that the system in which we live is competitive and political because we live on sales tax revenue. Mr. Beasley stated that the effort would need to be done completely, because a partial effort could cause more harm. He expressed concern that once we take one step, then we are into the second, and then the third. Mr. Beasley commented that he did not want to provide a smorgasbord of information to developers that would allow them to pick and choose; resulting in cities having to compete against one another based on the information. Mr. Beasley stated that there are entities that already provide this type of work. He added that he thought the placeholder money might be better spent on existing program areas. Mr. Beasley stated that he would vote against this program.

Mr. Cleveland stated that the key statement of the program is to provide a tool to reduce regional travel demand. He asked if there were other tools that would provide this. Mr. Tomasik replied that other than linking areas of housing where workers live to their job centers, he could not see another way to reduce travel demand and localize it except how it is being proposed in this program. Mr. Cleveland stated that he sees this program as a valuable planning tool to provide

cities with useful data to integrate commute sheds and industry impacts into housing capabilities and not use it in a competitive nature. Mr. Cleveland stated his support for the project.

Mr. Huling stated that the City of Mesa is very supportive of the program. He commented that MAG is the regional planning agency and this is the type of program that fits in with that role. It could provide valuable information as we try to accomplish the goal of not having to move traffic from one end of the Valley to the other. Mr. Huling stated that he also applauded staff's efforts on fine tuning the program. He said that he felt it would be a mistake to not proceed on Phase I that would be without expenditure except staff time. Mr. Huling stated that there are two key decision points, at which time there will be reviews. At those points, if the review shows we are headed in the wrong direction, then we can take a step back, and revise or stop. Mr. Huling urged support for the program.

Mr. Hileman stated that we need to ask ourselves if this program will alter economic development strategies. He said that we are all after high wage jobs and sales tax and no study will alter a city's intent to develop those high wage jobs and sales tax generating facilities. Mr. Hileman stated that this is not a growth management tool. He said that the current financial structure in Arizona is set up to be adversarial. Mr. Hileman stated that he felt this program will not change behavior, which will not happen until statutory changes are made.

Chairman Ellis recognized public comment from Diane Barker, who commented that the pros needed to be expressed on the *Building Codes Compilation and Web Addition* project. Ms. Barker stated that she considers the public's requests on CTOC meals unfinished business and suggested greater outreach. Ms. Barker requested an answer on how the public can get an item on the Regional Council agenda. Chairman Ellis thanked Ms. Barker for her comments.

Mr. Dille stated that he felt that for the program to be successful, the participation of all cities would be necessary. He asked how the project could proceed if not all participated? Mr. Tomasik replied that the project might work for portions of the region if contiguous cities participated. Mr. Dille stated that the most appealing aspect to him was showing we are being proactive in planning. He stated that the project would almost be a mockery if it took place in a checkerboard scenario.

Mr. Kross stated that the Town of Queen Creek supports the program. It is an ambitious program and probably should have been undertaken 15 to 20 years ago. He stated that Queen Creek sees the program as generating important modeling information useful to small, fast-growing communities. It would be helpful for MAG to generate this modeling information.

Mr. Dille stated that the Town of Wickenburg supports the program, he just wondered how it would be successful if not all participated. Mr. Tomasik replied that he believed that economic development staff were excited about the program because it requires a sophisticated economic development modeling tool and a comprehensive database product. Those who participate could reap economic development benefits. Mr. Tomasik stated that as far as a growth management tool, it might work for contiguous areas.

Mr. Skeete expressed concern for the reality of the environment. He commented that each element of planning suggests that if we follow the models we will be better off, but the reality is that once the information is put together, the political environment creates another issue and there will not be follow through. Mr. Skeete expressed concern that he saw only an idealistic presentation of what could be done.

Mr. Beasley stated that it is important that we are clear at the start. If we want MAG to get into economic development, we need to get into it fully, not partially. Mr. Beasley said that to say we are doing this for regional reasons are somewhat disingenuous. The reality is we are market-driven. Mr. Beasley stated that the business community will look for amenities it wants in a city and they will ask for incentives. He commented that he was not supportive of phasing in and knowing we are headed into an economic development situation. Let us plan and budget toward that level is that if what is desired.

Chairman Ellis commented that this is an issue where reasonable people can disagree. He asked Mr. Smith the motion that would be needed. Mr. Smith replied that the Management Committee could make a recommendation for approval of the Work Program, and include a recommendation on the Building a Quality Regional Community project at the phases noted in the three-phased work plan.

Mr. Cleveland moved to recommend continuing with Phase I of the *Building a Quality Regional Community* program in the Work Program as shown in the proposed three-phase work plan at no cost for the first year and further phases of this program may be considered after Phase I is completed in about one year. Mr. Dille seconded.

Mr. Manley complimented MAG staff on the budget. He commented that staff's workload has not decreased and he found it commendable to eliminate the Assistant Director position to allow for salary adjustments.

Mr. Klingler expressed his compliments to MAG staff for the budget process, in which a considerable amount of information was presented.

Chairman Ellis stated that he appreciated the early presentation process of the Work Program. Chairman Ellis asked for clarification from the maker of the motion if the motion included a recommendation to approve the resolution adopting the FY 2005 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments, and to amend the FY 2004 MAG Unified Planning Work Program and Annual Budget and the FY 2004 Transportation Improvement Program to incorporate the FY 2004 Surface Transportation Improvement Program funds identified in the FY 2005 Unified Planning Work Program and Annual Budget. Mr. Cleveland affirmed that his motion included the recommendation. Mr. Dille, as second, affirmed. He called for a vote on the motion. The motion passed with Mr. Hileman, Mr. Beasley, Mr. Skeete, and Ms. Rice voting no.

Mr. Smith extended his compliments to Becky Kimbrough and the Fiscal Services staff for their efforts on the Work Program and budget. The Management Committee applauded.

8. Legislative Update

Tom Remes provided an update on HB 2049, which stipulates that political subdivision entities, such as MAG, would be eligible to participate in the Arizona State Retirement System (ASRS). Mr. Remes stated that there will be a third read of the bill in the Senate that day at 1:30 p.m. He said that this is an equality and mobility issue because some COGs already are members. Mr. Remes expressed thanks to Representative John Huppenthal, who sponsored the bill, the Arizona League of Cities and Towns, the County Supervisors Association, and cities and towns for their support. Chairman Ellis thanked Mr. Remes for his report.

9. Management Committee Nomination Process

Chairman Ellis stated that in June, the two Management Committee officers will have served two one-year terms. According to the agreed-to process, the outgoing Chair would be responsible for working with members to nominate a manager for the Vice Chair position, and the current Vice Chair would be nominated for the position of Chair. Chairman Ellis stated that discussions will take place to nominate a Vice Chair to achieve geographic balance. He stated that in June, the election of officers will be held.

10. Comments from the Committee

An opportunity was provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the Committee were noted.

There being no further business, the meeting adjourned at 1:15 p.m.

Chairman

Secretary